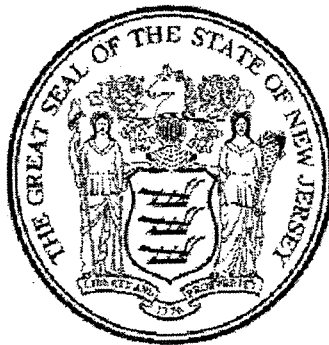


QUARTERLY REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

FOR THE QUARTER ENDED DECEMBER 31, 2005

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



BALANCE SHEETS

AS OF DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 23,206	\$ 20,106
2	Marketable securities (Short Tm. money market at cost).....	2,125	11,853
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2005, \$1,334; 2004, \$1,447)..... Note 3.....	9,644	5,531
4	Inventories..... Note 4.....	2,467	2,332
5	Prepaid Expenses and Other Current Assets..... Note 5.....	2,749	9,331
6	Total Current Assets.....	40,191	49,153
7	Investments, Advances, and Receivables..... Note 6.....	11,649	11,085
8	Property and Equipment - Gross.....	309,957	292,402
9	Less: Accumulated Depreciation and Amortization.....	(53,261)	(36,159)
10	Property & Equipment - Net..... Note 7.....	256,696	256,243
11	Other Assets.....	6,567	6,630
12	Total Assets.....	\$ 315,103	\$ 323,111
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 8,010	\$ 10,957
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other.....	5,617	5,525
17	Income Taxes Payable and Accrued.....	-	-
18	Other Accrued Expenses..... Note 8.....	20,301	15,305
19	Other Current Liabilities..... Note 9.....	15,164	8,649
20	Total Current Liabilities.....	49,092	40,436
	Long-Term Debt:		
21	Due to Affiliates..... Note 10.....	177,669	177,103
22	Other..... Note 10.....	15,555	16,848
23	Deferred Credits.....	-	6,583
24	Other Liabilities.....	-	-
25	Commitments and Contingencies..... Note 14.....	-	-
26	Total Liabilities.....	242,316	240,970
27	Stockholders, Partners', or Proprietor's Equity.....	71,787	82,141
28	Total Liabilities and Stockholders' Equity.....	\$ 314,103	\$ 323,111

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	Revenue:		
1	Casino.....	\$ 273,745	\$ 247,842
2	Rooms.....	23,352	18,341
3	Food and Beverage.....	24,282	23,387
4	Other.....	6,004	8,439
5	Total Revenue.....	327,383	298,009
6	Less: Promotional Allowances.....	74,204	68,643
7	Net Revenue.....	253,179	229,366
	Costs and Expenses:		
8	Cost of Goods and Services.....	177,526	157,544
9	Selling, General, and Administrative.....	42,393	44,180
10	Provision for Doubtful Accounts.....	508	138
11	Total Costs and Expenses.....	220,427	201,862
12	Gross Operating Profit.....	32,752	27,504
13	Depreciation and Amortization.....	20,935	16,681
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) from Operations.....	11,817	10,823
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates..... Note 11.....	(21,291)	(17,145)
18	Interest (Expense) - External.....	(1,412)	(696)
19	Investment Alternative Tax and Related Expense, Net of Amortization of \$0 and \$0 Respectively.....	(963)	(1,510)
20	Nonoperating Income (Expense) - net.....	(672)	1,726
21	Total Other Income (Expenses).....	(24,338)	(17,625)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(12,521)	(6,802)
23	Provision (Credit) for Income Taxes..... Note 13.....	(2,167)	(1,912)
24	Income (Loss) Before Extraordinary Items.....	(10,354)	(4,890)
25	Extraordinary Items (net of income tax benefit).....	-	-
26	Net Income (Loss).....	\$ (10,354)	\$ (4,890)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	Revenue:		
1	Casino.....	\$ 69,424	\$ 54,778
2	Rooms.....	5,873	4,890
3	Food and Beverage.....	6,107	4,639
4	Other.....	1,349	1,591
5	Total Revenue.....	82,753	65,898
6	Less: Promotional Allowances.....	17,952	15,482
7	Net Revenue.....	64,801	50,416
	Costs and Expenses:		
8	Cost of Goods and Services.....	50,556	37,025
9	Selling, General, and Administrative.....	12,800	10,755
10	Provision for Doubtful Accounts.....	150	80
11	Total Costs and Expenses.....	63,506	47,860
12	Gross Operating Profit.....	1,295	2,556
13	Depreciation and Amortization.....	4,946	4,505
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) from Operations.....	(3,651)	(1,949)
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(5,350)	(5,308)
18	Interest (Expense) - External.....	(288)	(254)
19	Investment Alternative Tax and Related Expense, Net of Amortization of \$0 and \$0 Respectively.....	(266)	(117)
20	Nonoperating Income (Expense) - net.....	(1,153)	177
21	Total Other Income (Expenses).....	(7,057)	(5,502)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(10,708)	(7,451)
23	Provision (Credit) for Income Taxes.....	(2,581)	(3,401)
24	Income (Loss) Before Extraordinary Items.....	(8,127)	(4,050)
25	Extraordinary Items (net of income tax benefit).....	-	-
26	Net Income (Loss).....	\$ (8,127)	\$ (4,050)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2003.....	1,000,000	\$ 1,000			\$ 76,673		\$ 9,358	\$ 87,031
2	Net Income (Loss) - 2004.....							(4,890)	(4,890)
3	Contribution to Paid-in-Capital.....								-
4	Dividends.....								
5	Prior Period Adjustments.....								
6	Sale of Hedging Instrument.....								-
7	Changes in value of stock options granted to employees and					-			-
8								
9								
10	Balance, December 31, 2004.....	1,000,000	1,000			76,673		4,468	82,141
11	Net Income (Loss) - 2005.....							(10,354)	(10,354)
12	Contribution to Paid-in -Capital.....								-
13	Dividends.....								-
14	Changes in value of stock options granted to employees and								-
15								-
16								-
17								-
18								-
19	Balance, December 31, 2005.....	1,000,000	\$ 1,000		\$	\$ 76,673	\$	\$ (5,886)	\$ 71,787

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
1	Net Cash Provided (Used) by Operating Activities.....	\$ 11,728	\$ 19,586
	Cash Flows From Investing Activities:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(17,712)	(79,865)
5	Proceeds from Disposition of Property and Equipment.....	28	1,672
6	Purchase of Casino Reinvestment Obligations.....	(2,328)	(3,051)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10	CRDA Reimbursement.....	-	756
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(20,012)	(80,488)
	Cash Flows From Financing Activities:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	1,462	(2,892)
15	Cash Proceeds from Issuance of Long-Term Debt.....	(1)	17,137
16	Costs of Issuing Debt.....	195	(159)
17	Payments to Settle Long-Term Debt.....	-	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Other Financing Activities.....	-	-
22	Advances from (Repayment to) Parent Company and Affiliates.....	-	-
23	Net Cash Provided (Used) By Financing Activities.....	1,656	14,086
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(6,628)	(46,816)
25	Cash and Cash Equivalents at Beginning of Period.....	31,959	78,775
26	Cash and Cash Equivalents at End of Period.....	\$ 25,331	\$ 31,959

	Cash Paid During Period For:		
27	Interest (Net of Amount Capitalized).....	\$ 21,814	\$ 17,335
28	Income Taxes (Net of amounts refunded).....	\$ (391)	\$ (519)

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	Net Cash Flows From Operating Activities:		
29	Net Income.....	\$ (10,354)	\$ (4,890)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	17,252	13,362
31	Amortization of Other Assets.....	2,218	3,319
32	Amortization of Debt Discount or Premium.....	566	504
33	Deferred Income Taxes - Current.....	(4,804)	(510)
34	Deferred Income Taxes - Noncurrent.....	(6,583)	992
35	(Gain) Loss on Disposition of Property and Equipment.....	(28)	(1,203)
36	(Gain) Loss on Casino Reinvestment Obligations.....	963	1,510
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks	(3,499)	(356)
39	Net (Increase) Decrease in Inventories.....	(135)	(829)
40	Net Decrease (Increase) in Other Current Assets.....	11,386	(1,761)
41	Net Decrease (Increase) in Other Assets.....	(1,442)	585
42	Net Increase (Decrease) in Accounts Payable.....	(2,946)	7,567
	Net (Decrease) Increase in Other Current Liabilities		
43	Excluding Debt.....	9,134	1,296
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	-	-
45	Loss on extinguishment of debt.....	-	-
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 11,728	\$ 19,586

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Acquisition of Property and Equipment:		
48	Additions to Property and Equipment.....	\$ (17,712)	\$ (79,865)
49	Less: Capital Lease Obligations incurred.....	-	-
50	Cash Outflows for Property and Equipment.....	\$ (17,712)	\$ (79,865)
	Acquisition of Business Entities:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total Issuances of Stock or Capital Contributions.....	\$ -	\$ -
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: RESORTS INTERNATIONAL HOTEL, INC.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (in thousands) (d)	Number of Recipients (e)	Dollar Amount (in thousands) (f)
1	Rooms	200,090	\$ 16,841	123	\$ 41
2	Food	1,212,795	11,909	96,213	1,000
3	Beverage	622,040	2,989	-	-
4	Travel	-	-	25,018	1,730
5	Bus Program Cash	453,939	7,712	-	-
6	Other Cash Complimentaries	1,233,908	33,072	-	-
7	Entertainment	26,321	1,494	2,120	301
8	Retail & Non-Cash Gifts	3,737	37	1,778	366
9	Parking	-	-	-	-
10	Other	6,630	150	61,527	1,233
11	Total	3,759,460	\$ 74,204	186,779	\$ 4,671

* Included in Other Promotional Expenses for the twelve months ended December 31, 2004 are tobacco complimentaries in the amount of \$274. No other single item or service included in other exceeds 5% of the column total.

FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	46,738	\$ 3,955	-	\$ 22
2	Food	284,324	1,681	3	2
3	Beverage	126,166	761	-	-
4	Travel	-	-	5,308	402
5	Bus Program Cash	96,773	2,117	-	-
6	Other Cash Complimentaries	318,469	8,944	-	-
7	Entertainment	-	466	794	83
8	Retail & Non-Cash Gifts	-	-	390	85
9	Parking	-	-	-	-
10	Other	1,191	28	17,480	337
11	Total	873,661	\$ 17,952	23,975	\$ 931

* Included in Other Promotional Expenses for the three months ended December 31, 2004 are tobacco complimentaries in the amount of \$70. No other single item or service included in other exceeds 5% of the column total.

**RESORTS INTERNATIONAL HOTEL INC.
NOTES TO FINANCIAL STATEMENTS**

1. Basis of Presentation

Colony RIH Holdings, Inc., a Delaware corporation ("CRH"), owns 100% of the outstanding common stock of Resorts International Hotel and Casino, Inc., also a Delaware corporation ("RIHC"). RIHC, through its wholly-owned subsidiary, Resorts International Hotel, Inc., a New Jersey corporation ("RIH" or the "Company"), owns and operates Resorts Atlantic City, a casino/hotel located in Atlantic City, NJ.

RIHC, Kerzner International North America, Inc., a Delaware corporation ("KINA"), formerly Sun International North America, Inc., and GGRI, Inc., a Delaware corporation ("GGRI"), entered into a purchase agreement, dated October 30, 2000, as amended (the "Purchase Agreement"). Pursuant to the Purchase Agreement, RIHC acquired all of the capital stock of RIH, the Warehouse Assets (as defined in the Purchase Agreement) and all of the capital stock of New Pier Operating Company, Inc. ("New Pier"), a New Jersey corporation (collectively, the "Acquisition") on April 25, 2001 for approximately \$144.8 million

The Acquisition has been accounted for using the purchase method, and accordingly, the aggregate purchase price, including transaction fees and expenses, has been allocated based on the fair value of the assets acquired and liabilities assumed.

As discussed in Note 10, the Company was not in compliance with financial covenants on its CIT Facility and Commerce Facility as of December 31, 2005 prior to amendments to each of these facilities executed on March 29, 2006.

Management has also renegotiated the financial covenants with CIT and Commerce for periods subsequent to December 31, 2005. Management believes, based on the information currently available, that the results of its operations will allow the Company to meet these financial covenants. However, there can be no assurances that management will be successful in this regard.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Allowances for doubtful accounts arising from casino, hotel and other services, are based upon a specific review of certain outstanding receivables. In determining the amounts of the allowances, certain estimates and assumptions are made, and actual results may differ from those assumptions.

Cash Equivalents

Short-term money market securities purchased with original maturities of three months or less are considered to be cash equivalents. These securities are classified as available-for-sale, which are carried at fair value with unrealized gains and losses, net of tax, reported in other comprehensive income. The carrying value of cash equivalents approximates fair value due to the short-term maturity of these instruments.

Inventories

Inventories of provisions, supplies and spare parts are valued at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are stated at cost and are depreciated over their estimated useful lives reported below using the straight-line method. Interest costs incurred during the construction period are capitalized in accordance with Statement of Financial Accounting Standards No. 34, "Capitalization of Interest Costs." No interest expense was capitalized during 2005 since the capital projects and construction periods did not meet the standards of SFAS No.34. Interest expense of \$4.1 million and \$3.6 million was capitalized for the years ended December 31, 2004 and 2003, respectively.

Hotels and other buildings.....	35 – 40 years
Furniture fixtures and equipment.....	2 – 5 years

2. Summary of Significant Accounting Policies (continued)

The provisions of SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144") requires, among other things, that an entity review its long-lived assets and certain intangibles for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. SFAS No. 144 requires an impairment loss to be recognized only if the carrying amounts of long-lived assets to be held and used are not recoverable from their expected undiscounted future cash flows.

Income Taxes

The Company follows the provisions of SFAS No. 109, "Accounting for Income Taxes". Accordingly, deferred tax assets and liabilities are calculated as the difference between the financial statement carrying amounts and tax bases of assets and liabilities. These differences are affected by the tax rate for the year in which they are expected to be recovered or settled. A valuation allowance is recognized, if necessary, to account for the likelihood that these differences will not be realized in the future. Note 12 further addresses the components of the deferred tax assets and liabilities.

Revenue Recognition

Gaming revenue is recorded as the net win from gaming activities, which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services and from theater ticket sales are recognized at the time the related service is performed.

Self Insured Health Insurance

Effective June 2005, the company changed its medical coverages for its non union employees. Such employees are now covered under a self-insured medical plan up to a maximum of \$200,000 per year for each insured person. Amounts in excess of these thresholds are covered by the company's insurance programs subject to customary policy limits.

Advertising

The Company expenses advertising costs as incurred. These costs are included in Selling, General and Administrative costs on the Company's Consolidated Statements of Operations. For the years ended December 31, 2005, 2004 and 2003 these costs amounted to \$8.1 million, \$6.9 million and \$6.3 million, respectively.

Pre-Opening Expenses

For the year ended December 31, 2005, the Company recorded \$2.7 million of pre-opening expenses, primarily advertising and related costs, to promote the opening of the New Tower.

Stock Based Compensation

As allowed under the provisions of Financial Accounting Standards Board Statement Number 123 ("SFAS No. 123"), "Accounting for Stock-Based Compensation," the Company applies the provisions of Accounting Principles Board Opinion Number 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for employee stock options, and accordingly, does not recognize compensation expense. Had compensation expense for the employee stock option plan been determined in accordance with SFAS No. 123, pro forma results of operation would not have been materially different.

Equity instruments issued to non-employees in exchange for goods or services are accounted for using the fair value method and expense is recorded based on the value determined.

New Accounting Pronouncement

In December 2004, the FASB issued Financial Accounting Standards Board Statement No. 123 (revised 2004), Share-Based Payment (SFAS 123(R)), which requires stock-based employee compensation to be measured based on the grant-date fair value of the award and the cost to be recognized over the period during which an employee is required to provide service in exchange for the award. SFAS 123(R) eliminates the alternative use of APB No. 25's intrinsic value method of accounting for stock options granted to employees.

As a result of the provisions of SFAS 123R, the Company expects to incur compensation charges that will not be material to the Company's financial statements for the year ending December 31, 2006. However, the estimated compensation charges can be affected by a number of variables, including the Company's stock price and the timing of 2006 employee stock option grants. The Company has not yet determined the method of adoptions under SFAS 123® as permitted under the Statement.

3. Receivables

Components of receivables were as follows at December 31 (in thousands):

	2005	2004
Gaming.....	\$ 6,413	\$ 5,315
Less: allowance for doubtful accounts.....	(1,307)	(1,415)
	<u>5,106</u>	<u>3,900</u>
Non-gaming:		
Hotel and related	492	643
Due from affiliates.....	3,037	110
Other.....	1,036	910
	<u>4,565</u>	<u>1,663</u>
Less: allowance for doubtful accounts.....	(27)	(32)
	<u>4,538</u>	<u>1,631</u>
Receivables, net.....	<u>\$ 9,644</u>	<u>\$ 5,531</u>

4. Inventories

Components of inventories were as follows at December 31 (in thousands):

	2005	2004
Food and Beverage	\$ 773	\$ 724
Gifts	592	558
Other, net.....	1,102	1,050
	<u>\$ 2,467</u>	<u>\$ 2,332</u>

5. Prepaid Expenses and Other Current Assets

Components of prepaid expenses and other current assets were as follows at December 31 (in thousands):

	2005	2004
Prepaid expenses	\$ 2,716	\$ 3,049
Current portion deferred income taxes	--	4,804
Income tax receivable.....	--	1,467
Other	33	11
	<u>\$ 2,749</u>	<u>\$ 9,331</u>

6. Investments, Advances and Receivables

Components of investments, advances and receivables were as follows at December 31 (in thousands):

	2005	2004
CRDA bonds and direct investments.....	\$ 12,468	\$ 12,468
CRDA deposits.....	8,576	7,202
Valuation allowance.....	(9,267)	(8,585)
	<u>\$ 11,649</u>	<u>\$ 11,085</u>

The New Jersey Casino Control Act, as amended, requires RIH to purchase bonds issued by the Casino Reinvestment Development Authority (the "CRDA") or make other investments authorized by the CRDA, in an amount equal to 1.25% of RIH's gross gaming revenue, as defined.

The CRDA bonds have interest rates ranging from 3.5% to 7.0% and have repayment terms of between 20 and 50 years. The Company records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charge for the twelve months ended December 31, 2004 for discounts on obligations was \$1.7 million while RIH recorded a credit of \$2.3 million for the same period of 2003.

6. Investments, Advances and Receivables (continued)

The 2003 credit is due to the reversal of approximately \$3.0 million of amortization expense related to discounts on funds previously deposited with the CRDA in below-market bearing instruments. This reversal resulted from the receipt from the CRDA of \$9,189,000 of previously deposited funds as reimbursement for costs incurred for the construction of the New Tower.

From time to time RIH has donated certain funds it has had on deposit with the CRDA in return for either relief from its obligation to purchase CRDA bonds or credits against future CRDA deposits. The majority of the Company's deposits have been pledged for specific projects.

7. Property and Equipment

Components of property and equipment were as follows at December 31 (in thousands):

	2005	2004
Land and land rights	\$ 34,698	\$ 34,698
Hotels and other buildings	204,867	193,306
Furniture, fixtures and equipment	67,009	62,582
Construction in progress	3,383	1,816
	<u>309,957</u>	<u>292,402</u>
Less: accumulated depreciation	(53,261)	(36,159)
Net property and equipment	<u>\$ 256,696</u>	<u>\$ 256,243</u>

8. Other Accrued Expenses

Components of other accrued expenses were as follows at December 31 (in thousands):

	2005	2004
Insurance and related costs	\$ 1,313	\$ 1,799
Payroll and related liabilities	9,637	7,655
Gaming taxes and fees	1,761	2,832
Other	7,590	3,019
	<u>\$ 20,301</u>	<u>\$ 15,305</u>

9. Other Current Liabilities

Components of other current liabilities were as follows at December 31 (in thousands):

	2005	2004
Interest Payable	\$ 6,050	\$ 6,039
Due to affiliates	6,077	—
Other	3,037	2,610
	<u>\$ 15,164</u>	<u>\$ 8,649</u>

10. Long-Term Debt

Due to Affiliates

On March 22, 2002, RIHC sold \$180.0 million aggregate principal amount of first mortgage notes (the "First Mortgage Notes") at a price of 97.686% yielding \$175.8 million. The proceeds from the sale of the First Mortgage Notes were used to retire existing debt and to finance a portion of the cost to develop, construct and equip the Rendezvous Tower, Grand Lobby and expand Resorts casino (collectively, the "New Tower"), which was substantially completed in the second quarter of 2004. Interest on the First Mortgage Notes is payable on March 15 and September 15 of each year, and the First Mortgage Notes are due in full on March 15, 2009. In conjunction with the issuance of the First Mortgage Notes, RIHC issued a note to RIH with terms that mirror those of the First Mortgage Notes.

10. Long-Term Debt (continued)

The First Mortgage Notes contain certain covenants that, among other things, limit RIHC's ability and the ability of its subsidiaries to pay dividends on, redeem or repurchase its or their capital stock, make investments, incur additional indebtedness, permit payment of or restrict dividends by certain of its subsidiaries, enter into sale leaseback transactions, sell assets, guarantee indebtedness, create certain liens, engage in transactions with affiliates, and consolidate, merge or transfer all or substantially all its assets and the assets of its subsidiaries on a consolidated basis.

In connection with the construction of the New Tower, the Company has capitalized interest of \$8.1 million since the commencement of the project, of which \$4.1 million was capitalized during the twelve months ended December 31, 2004. The Company ceased capitalization of interest during the second quarter of 2004, as the New Tower was ready for its intended use.

Other

Other long-term debt is summarized as follows at December 31 (in thousands):

	#	2005	2004
Thermal Energy capital lease	\$	5,966	\$ 6,280
CIT/FF&E Financing		15,956	15,543
Other notes payable		250	550
		<u>22,172</u>	<u>22,373</u>
Less: current portion		5,617	5,525
	\$	<u>16,555</u>	<u>16,848</u>

On March 22, 2002, RIHC sold \$180.0 million aggregate principal amount of First Mortgage Notes (the "First Mortgage Notes") at a price of 97.686% yielding \$175.8 million. Interest on the First Mortgage Notes is payable on March 15 and September 15 of each year, and the First Mortgage Notes are due in full on March 15, 2009. Beginning March 15, 2007, the Company may redeem all or a part of the First Mortgage Notes at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest: March 15, 2007 through March 14, 2008, 106.0%; March 15, 2008 through March 14, 2009, 103.0%; and on or after March 15, 2009, 100.0%.

The First Mortgage Notes contain certain covenants that, among other things, limit RIHC's ability and the ability of its subsidiaries to pay dividends on, redeem or repurchase its or their capital stock, make investments, incur additional indebtedness, permit payment of or restrict dividends by certain of its subsidiaries, enter into sale leaseback transactions, sell assets, guarantee indebtedness, create certain liens, engage in transactions with affiliates, and consolidate, merge or transfer all or substantially all of its assets and the assets of its subsidiaries on a consolidated basis. The First Mortgage Notes also contain cross-default provisions whereby the acceleration of any indebtedness prior to its scheduled maturity constitutes an event of default under the First Mortgage Notes Indenture.

In June 2002, RIH entered into a Thermal Energy Services Agreement (the "Thermal Agreement"). The initial term of the Thermal Agreement is 20 years, renewable at RIH's option for two additional five-year terms. The Thermal Agreement has three components: a monthly charge for operation and maintenance of the thermal energy facilities; a capital lease component for capital improvements whose value was estimated at \$6.5 million on the date the Thermal Agreement was executed, and; a usage fee for steam and chilled water, whose usage and rate will vary by month of the year. The outstanding balance of the capital lease was \$6.0 million at December 31, 2005.

In June 2002, RIH entered into a Restated Loan and Security Agreement with CIT Group/Equipment Financing, Inc ("CIT Facility"). The CIT Facility permits RIH to borrow up to \$20 million for the purchase of machinery, furniture, or equipment. Loans pursuant to the CIT Facility are repayable in up to a sixty-month amortization period from the date the loan is made. The outstanding loans associated with the CIT Facility bear interest at the rate of LIBOR plus three and one-half percent. RIH is required to pay an annual fee equal to one-half percent of the unused portion of the CIT Facility. The outstanding balance due to CIT at December 31, 2005 was \$16.0 million. The CIT Facility contains a fixed charge coverage ratio and a senior leverage financial covenant as defined in the Credit Facility. On March 29, 2006, the CIT Facility was amended which modified the required covenant calculations at December 31, 2005 and on a prospective basis. Absent this amendment, the Company would not have been in compliance with the financial covenants. As a part of the amendment, the Company was required to pay \$1 million of the outstanding principal prior to March 31, 2006 and a fee of \$80,000. The amendment also redefined the interest

10. Long-Term Debt (continued)

rate on the facility based on a sliding scale on operating results (as defined). The \$1 million of outstanding principal has been reflected as a current liability at December 31, 2005.

In November 2002, RIH entered into a Loan and Security Agreement with Commerce Bank, N.A. ("Commerce Facility"). The Commerce Facility provides for working capital borrowings and letters of credit up to \$10 million. The Commerce Facility expires on June 30, 2006. There was no outstanding balance on the Commerce Facility at December 31, 2005; however, \$5.1 million of standby letters of credit have been issued against the Commerce Facility, leaving an availability of \$4.9 million as of December 31, 2005. The Commerce Facility contains an interest coverage ratio and a minimum net worth requirement as defined in the Commerce Facility. On March 29, 2006, the CIT Facility was amended which modified the required covenant calculations at December 31, 2005 and on a prospective basis. Absent this amendment, the Company would not have been in compliance with the financial covenants.

During 2004, RREH purchased 2.0 acres of land adjacent to the Resorts site (see Note 14). The land was acquired in exchange for the issuance of a \$40 million note by RREH to KINA. This \$40 million note will mature immediately following the maturity, acceleration or refinancing (other than permitted refinancing) of the First Mortgage Notes which are due March 15, 2009. The KINA Note contains cross-default provisions whereby the acceleration of the scheduled maturity of the First Mortgage Notes constitutes an event of default under the KINA Note.

Interest on the \$40 million note will be payable semi-annually, and will be calculated at the following annual rates: 0% through September 2004, 4% from October 2004 through March 2006, 6% from April 2006 through March 2008, and 9% from April 2008 through March 2009. The note payable to KINA is guaranteed by CRH, RIHC and RIH, provided, however that the guarantee of RIHC and RIH does not become effective until either the First Mortgage Notes have been paid in full or the fixed charge coverage ratio of RIHC is at least 2.0 to 1.0. At December 31, 2005 the fixed charge coverage ratio was 1.0 to 1.0. In addition, the amount guaranteed is initially limited to \$20 million increasing by \$5 million each year.

The aggregate amount of principal payments on all long-term indebtedness, by year is as follows (in thousands):

2006	\$	5,617
2007		5,746
2008		5,669
2009		180,298
2010		310
Thereafter		4,533
Total	\$	<u>202,173</u>

11. Related Party Transactions

RIH recorded the following expenses from affiliates for the twelve months ended December 31 (in thousands):

	2005	2004
Interest and amortization of discounts on First Mortgage Notes	\$ 21,291	\$ 21,204
Interest expense on hedging instruments	--	1
Less: capitalized interest.....	--	(4,060)
	<u>\$ 21,291</u>	<u>\$ 17,145</u>

12. Retirement Plans

RIH has a defined contribution plan in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in this plan. Contributions are made to the plan based on a percentage of eligible employee contributions. Contribution expense for this plan was \$582,000, \$592,000, and \$609,000 for the years ended December 31, 2005, 2004, and 2003, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. RIH's pension expense for these plans was \$2,168,000, \$1,919,000, and \$1,709,000 for the years ended December 31, 2005, 2004, and 2003, respectively.

13. Income Taxes

Income tax expense (benefit) is comprised of the following for the year ended December 31 (in thousands):

	Year ended December 31,		
	2005	2004	2003
Current:			
Federal	\$ -	\$ (3,681)	\$ (369)
State	1,502	1,288	1,079
	<u>1,502</u>	<u>(2,393)</u>	<u>710</u>
Deferred:			
Federal	(2,516)	2,337	1,017
State	(1,153)	(1,856)	-
	<u>(3,669)</u>	<u>481</u>	<u>1,017</u>
	<u>\$ (2,167)</u>	<u>\$ (1,912)</u>	<u>\$ 1,727</u>

The components of the deferred tax assets and liabilities were as follows at December 31 (in thousands):

	2005	2004
Deferred tax assets (liabilities):		
Basis differences on property and equipment	\$ (10,135)	\$ (12,725)
Other	(1,066)	(1,443)
Total deferred tax liabilities	<u>(11,201)</u>	<u>(14,168)</u>
Deferred tax assets:		
NOL and capital loss carryforwards	12,833	12,671
Book reserves not yet deductible for tax	2,769	3,174
Tax credit carryforwards	1,890	1,225
Other	3,464	2,538
Total deferred tax assets	<u>20,956</u>	<u>19,608</u>
Valuation allowance for deferred tax assets	(7,865)	(7,219)
Deferred tax assets, net of valuation allowance	<u>13,091</u>	<u>12,389</u>
Net deferred tax assets (liabilities)	<u>\$ 1,890</u>	<u>\$ (1,779)</u>

The effective income tax rate varies from the statutory Federal income tax rate as a result of the following factors:

	Year ended December 31,		
	2005	2004	2003
Statutory Federal income tax rate	(34.0%)	(34.0%)	34.0%
Change in Federal income tax rate for deferred taxes	-	(1.4%)	-
Change in valuation allowance	5.9%	(1.2%)	0.0%
State taxes, net of Federal benefit	1.9%	(5.5%)	151.3%
Non-deductible provisions and expenses	7.3%	12.4%	181.7%
Effective tax rate	<u>(17.9%)</u>	<u>(28.3%)</u>	<u>367.0%</u>

On June 30, 2003, the State of New Jersey amended the New Jersey Casino Control Act, effective July 1, 2003, to impose or increase certain taxes and fees, including a tax at the rate of 7.5% on the adjusted net income of casino licensees in calendar year 2002, payable in the state's fiscal years 2004 through 2006. The amount of this tax for each licensee is limited to a maximum of \$10.0 million annually and a minimum of \$350,000 annually. For the years ended December 31, 2005, 2004 and 2003, the Company recorded a provision of \$350,000, \$350,000 and \$175,000, respectively

On July 3, 2002, the State of New Jersey passed the New Jersey Business Tax Reform Act which, among other things, required the suspension of the use of the New Jersey net operating loss carryforwards for two years and introduced an alternative minimum assessment ("NJAMA") under the New Jersey corporate business tax based on gross receipts or gross profits, as defined. The Tax Act was retroactive to January 1, 2002. In accordance with the Tax Act, the Company recorded a provision for current income tax of \$665,000, \$619,000 and \$597,000, net of Federal benefit, for the years ended December 31,

13. Income Taxes (continued)

2005, 2004 and 2003, respectively. Due to the unlimited expiration period of future tax credits associated with taxes paid under the NJAMA, the Company has a deferred tax asset recorded (in other long-term assets) of \$1.8 million as of December 31, 2005.

At December 31, 2005, the Company has a net operating loss carryforward for Federal purposes of \$18.3 million, which will begin expiring in the year 2024 and forward. A valuation allowance has been provided against the Company's net Federal deferred tax asset including the net operating loss carryforwards.

At December 31, 2005, the Company has a state net operating loss carryforward of approximately \$112.1 million. The carryforward will expire as follows: 2006, \$2.4 million; 2007, \$40.2 million; 2008, \$20.7 million and 2009, \$48.8 million. The Company has reported a full valuation allowance against the carryforward because it does not expect to realize the tax benefit, primarily due to the limited expiration period.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Management has determined that the realization of certain of the Company's deferred tax assets is not more likely than not and, as such, has provided a valuation allowance against those deferred tax assets at December 31, 2005 and 2004.

On June 16, 2002, RIH entered into a Thermal Energy Services Agreement (the "Thermal Agreement"). The initial term of the Thermal Agreement is 20 years, renewable at RIH's option for two additional five year terms. The Agreement has three components: a monthly charge for operation and maintenance of the thermal energy facilities; a capital lease component for capital improvements whose value was estimated at \$6.5 million on the date the Thermal Agreement was executed, and; a usage fee for steam and chilled water, whose usage and rate will vary by month of the year. The outstanding balance of the capital lease was \$6.3 million at December 31, 2004.

In June 2002, RIH entered into a Restated Loan and Security Agreement with CIT Group/Equipment Financing, Inc ("CIT Facility"). The CIT Facility permits RIH to borrow up to \$20 million for the purchase of machinery, furniture, or equipment. Loans pursuant to the CIT Facility are repayable in up to a sixty-month amortization period from the date the loan is made. Outstanding loans bear interest at the rate of LIBOR plus three and one-half percent. RIH is required to pay an annual fee equal to one-half percent of the unused portion of the CIT Facility. The outstanding balance due to CIT at December 31, 2004 was \$15.5 million.

In November 2002, RIH entered into a Loan and Security Agreement with Commerce Bank, N.A ("Commerce Facility"). The Commerce Facility provides for working capital borrowings and letters of credit up to \$10 million. The Commerce Facility expires on June 30, 2005. There was no outstanding balance on the Commerce Facility at December 31, 2004; however, there have been \$4.4 million in standby letters of credit issued related to insurance obligations of the Company, leaving an availability of \$5.6 million as of December 31, 2004.

In the second quarter of 2004, RIH completed a like-kind exchange of its warehouse for a new warehouse facility. The transaction included the receipt of approximately \$1.2 million from the sale of the old warehouse, the proceeds of which were combined with a \$600,000 note (the "Warehouse Note") to purchase the new facility. The Warehouse Note has an interest rate of 6%, with fixed payments of principal and interest due in December 2004, February 2005 and February 2006. At December 31, 2004, the outstanding balance of the note was \$550,000.

14. Commitments and Contingencies

Litigation

The Company is a defendant in certain litigation. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the financial position, results of operations, or liquidity of RIHC.

License Renewal

On January 21, 2004, the New Jersey Casino Control Commission (the "NJCCC") renewed RIH's license to operate its casino hotel complex in Atlantic City for the four-year period ending January 31, 2008. The license period for a casino license renewed after April 30, 2004, shall be up to five years, but the NJCCC may reopen licensing hearings at any time. The NJCCC shall act upon any such application prior to the date of expiration of the current license. A casino license is not transferable.

14. Commitments and Contingencies (continued)

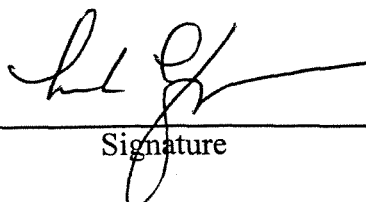
Commitments

The Company leases land, office space and certain equipment under non-cancelable operating lease arrangements. These leases expire in various years. Rent expense under these lease agreements for the years ended December 31, 2005 and 2004 was approximately \$4.5 million and \$5.4 million, respectively. Future minimum lease payments under noncancelable operating leases consist of the following at December 31, 2005 (in thousands):

2006	\$	4,588
2007		4,362
2008		5,316
2009		2,762
2010 and thereafter	\$	12,375

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this year.



Signature

Senior Vice President of
Finance and Chief Financial Officer
Title

008227-11

License Number

On Behalf Of:
RESORTS INTERNATIONAL HOTEL, INC.
Casino Licensee

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2005

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
1	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$ 4,502		
2	Returned Patrons' Checks.....	1,911		
3	Total Patrons' Checks.....	6,413	\$ 1,307	\$ 5,106
4	Hotel Receivables.....	492	27	465
5	Other Receivables:			
5	Receivables Due from Officers and Employees.....	-		
6	Receivables Due from Affiliates.....	3,037		
7	Other Accounts and Notes Receivables.....	1,036		
8	Total Other Receivables.....	4,073	-	4,073
9	Totals (Form CCC-205).....	\$ 10,978	\$ 1,334	\$ 9,644

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (a)	DESCRIPTION (b)	AMOUNT (c)
10	Beginning Balance (January 1).....	\$ 3,408
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits).....	120,103
12	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits).....	(92,711)
13	Checks Collected Through Deposits.....	(22,885)
14	Checks Transferred to Returned Checks.....	(3,413)
15	Other Adjustments.....	-
16	Ending Balance.....	4,502
17	"Hold" Checks Included in Balance on Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 508
19	Provision as a Percent of Counter Checks Issued.....	0.4%

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

March 31, 2006
Date

Signature

Executive Vice President of
Finance / Assistant General Manager
Title Of Officer

ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2005

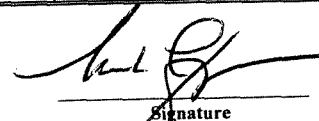
(\$ in Thousands)

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
1	CASINO				
2	Administration	4			
3	Gaming	639			
4	Slots	290			
5	Casino Accounting	16			
6	Simulcasting	11			
7	Other	9			
7	Total - Casino	969	\$ 23,490	\$ -	\$ 23,490
8	ROOMS	357	9,612	-	9,612
9	FOOD AND BEVERAGE	636	11,827	-	11,827
	OTHER OPERATED DEPARTMENTS				
10	Employee Cafeteria	30	522	-	522
11	Transportation	69	851	-	851
12	Uniform Room	14	282	-	282
13	Health Club	10	268	-	268
14	Reds	2	6	-	6
15	Other	4	158	-	158
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	16	103	-	103
21	Accounting and auditing	74	1,390	-	1,390
22	Security	188	4,682	-	4,682
23	Other administrative and general department	98	2,841	-	2,841
24	MARKETING	156	5,579	-	5,579
25	GUEST ENTERTAINMENT	196	843	-	843
26	PROPERTY OPERATION AND MAINTENANCE	107	4,772	-	4,772
27	TOTALS - ALL DEPARTMENTS	2,926	\$ 67,226	\$ -	\$ 67,226

Under the penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, it is true and complete.

March 31, 2006

Date


Signature

Senior Vice President of
Finance and Chief Financial Officer
Title of Officer

CCC-376

TRADING NAME OF LICENSEE RESORTS ATLANTIC CITY

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2005

Line

CASINO WIN:	
1. Table and Other Games Win.....	\$ 69,193,472
2. Slot Machines Win.....	202,790,252
3. Total Win.....	271,983,724
4. Recovery for Uncollectible Patrons' Checks.....	\$ -
5. Gross Revenue (line 3 plus line 4).....	\$ 271,983,724
6. Tax on Gross Revenue - Reporting Year (8% of line 5).....	21,758,698
7. Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	-
8. Total Taxes on Gross Revenue (the sum of lines 6 and 7).....	21,758,698
9. Total (Deposits) Made for Tax on Reporting Year's Gross Revenue.....	(21,758,698)
Settlement of Prior Years' Tax on Gross Revenue	
10. Resulting from Audit or Other Adjustments - (Deposits) Credits	-
11. Gross Revenue Taxes Payable (the net of lines 8, 9 and 10)	(0)

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

5-23-06

Date



Signature

Director of Finance

Title of Officer